

# FISCAL NOTE

**Bill #: SB0074**

**Title: Prohibit requiring payment of outstanding charges for water or sewer hookup**

**Primary**

**Sponsor: Ken Miller**

**Status: As introduced**

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<b>Expenditures:</b>	\$0	\$0
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. The Department of Commerce/Local Government Assistance Division has reviewed the proposed legislation and has determined that the specific fiscal impacts are not quantifiable.

### EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposed legislation would prohibit a county water or sewer district or municipality from requiring the owners of real property to pay outstanding water or sewer charges incurred by a renter. Typically, a significant portion of monthly user charges for any community water or sewer system are committed to repayment of debt service associated with revenue bonds or loans through governmental agencies or private bond holders. The balance of user charges usually are required to assure adequate resources for operation and maintenance of the water or sewer system. Under the proposed legislation, the failure of any system user (renter or property owner) to pay the charges would mean that other system users would have to absorb (pay) the outstanding charges incurred by the nonpaying user. Under the proposed legislation, if a water or sewer system had a significant proportion of users who were renters who failed to pay their user charges, it could affect the fiscal solvency of the overall water or sewer system. If enacted, the proposed legislation could potentially affect the marketability of municipal bonds or result in higher interest rates for community water or sewer bonds and, thus, higher charges for all system users.

If on the other hand the county governments required a utility deposit and performed credit checks there may be little effect on the local government